29 June 1954

MEMORANDUM FOR DIRECTOR OF CENTRAL INTELLIGENCE
SUBJECT: National Indications Center, Funds and Establishment

- 1. During the IAC meeting of 15 June 1954, Major General Willems advised the Committee that the activation of the National Indications Center, as authorized in DCID 1/2, might be delayed beyond the 1 July target because of funding problems. In response to these remarks, the DCI requested Gen. Willems to prepare an estimate of the non-departmental costs involved in implementing the Terms of Reference of the IAC Watch Committee.
- 2. Subsequently a subcommittee of the ad hoc IAC Committee (Watch) prepared a report which concluded:

a.	It is	beyo:	nd the	compe	tence c	f the	mem	bers	to esti	mate
costs	incid	ent to	const	ructing	the NI	C wi	thout	guida	nce as	to
proba	ble lo	ocale o	of the	facility	within	the	Penta	gon.	(This	
guida	nce h	as not	been	availab	le.)					

- c. Approximately two-thirds of the estimated gross cost will not involve cash outlays, as the furnishings and equipment are routinely carried as office equipment and are thus available for issue without monetary disbursements.
- d. Since the JCS have undertaken to question the IAC approved Table of Organization and floor plans of the NIC, it appears that the NIC cannot be activated by 1 July 1954, and probably not much before the end of the first quarter of FY 1955. This action and the relative smallness of the Net Cost removes the necessity for making special funding arrangements.
- 3. Upon presenting these conclusions to Gen. Willems, it was requested that they be relayed to the DCI in advance of the IAC meeting scheduled for 29 June 1954.

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4. Although the Watch Corby 1 July 1954, as stated in IAC NIC will be established as of 1 July building as a temporary headquamade in the Pentagon or, if necessary	uly occupying	25X1
5. Air Force and Navy re expected to begin full time parti July.	presentatives to the NIC are cipation during the first week in	
		25X1

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